

FOREWORD

As the Department of Defense turns increasingly to the commercial market for the products and services it needs, knowledge and understanding of the industries and sectors that make up the global commercial market becomes a vital capability. Market research is conducted to determine the availability of commercial products and services and to identify market practices.

This handbook updates and expands the SD-5 handbook dated February 1992, *Market Analysis for Nondevelopmental Items*. This updated version of our handbook focuses on market research leading to the acquisition of both commercial items and commercial services. Market research is also an important tool for identifying and buying nondevelopmental items (NDI), when suitable commercial items are not available. However, because of the breadth and scope of market research needed for a successful commercial acquisition, I felt this additional guidance specifically for commercial acquisitions would prove useful. Our SD-2 handbook, *Buying Commercial & Nondevelopmental Items*, contains general guidance on buying NDI, including conducting market research.

In putting together this handbook, we placed an emphasis on practical information, recognizing that market research varies depending on the acquisition. As a result, a variety of examples demonstrating successful methods for performing market research, and the analysis and use of market research information, are included. Since the publication of the original handbook in 1992, the use of the Internet as a market research tool has emerged. Appendix A addresses the use of electronic databases available through the Internet and on CD-ROM.

I would like to thank the members of the market research working group, chartered by the Defense Standards Improvement Council, which included representatives from the Army, Navy, Air Force, Marine Corps, and Defense Logistics Agency. Their experience and insight shaped the handbook. Working group members are listed on our homepage at the Internet address cited on the next page. They are individually a valuable source of information on market research.

Your recommendations on improving the content of this handbook are welcome. Please send your comments to:

Director, Acquisition Practices
ODUSD (Industrial Affairs & Installations)
The Pentagon, Rm 3B253
Washington, DC 20301-3300

Approved for public release; distribution unlimited. Copies are available from the DoD Single Stock Point, Standardization Document Order Desk, 700 Robbins Avenue,

Building 4D, Philadelphia, PA 19111-5094, (215) 697-2667 or 2179. Electronic copies are available from our homepage at the following Internet address:
<http://www.acq.osd.mil/es/std/ndi>.

/signed/

Walter B. Bergmann, II
Director
Acquisition Practices

Table of Contents

PURPOSE	v
WHAT IS MARKET RESEARCH?	1
WHY DO MARKET RESEARCH?	1
WHEN IS MARKET RESEARCH DONE?	3
WHO SHOULD BE INVOLVED IN MARKET RESEARCH?.....	5
HOW IS MARKET RESEARCH DONE?.....	7
Market Surveillance	7
Market Investigation	11
How Much Is Enough?	11
SIX PARTS OF A MARKET INVESTIGATION	13
Summary of Surveillance	13
Identification of Sources	14
Survey of Suppliers	15
Checking of References (Current Users)	17
Evaluation	19
Documentation	20
MARKET RESEARCH FOR SERVICES	22
PRINCIPLES	25
APPENDIX A: COMPUTER-BASED RESOURCES FOR PRODUCT AND SERVICE INFORMATION	29
WHAT TYPES OF COMPUTER-BASED RESOURCES ARE AVAILABLE?.....	29
Product Catalogs	29
Vendor Listings	30
Text Files	30
Government Procurement Contract Information	31
WHAT INFORMATION IS PROVIDED BY COMPUTER-BASED PRODUCTS?.....	31
WHAT DOES COMPUTER-BASED INFORMATION COST?	32
WHAT INFORMATION IS NOT INCLUDED IN THIS APPENDIX?	32
HOW WAS THIS SAMPLE OF DATA PRODUCTS SELECTED?	32
HOW IS AN ON-LINE SEARCH CONDUCTED?	33
COMMERCIAL SYSTEMS	34

American National Standards Institute	34
Dun's Marketing Services	34
ECRI	35
Forecast International, Inc.	36
ILI Infodisk, Inc.	37
Information Access Company	37
Information Handling Services (IHS)	39
Inventory Locator Service (ILS)	40
Jane's Information Group	41
Knight-Ridder Information, Inc.	42
R.R. Bowker Company	42
Sterling Commerce	43
Thomas Online	43
GOVERNMENT SYSTEMS	44
Defense Logistics Service Center (DLSC)	44
Defense Technical Information Center (DTIC)	45
Government Wide Information Systems Center	45
Naval Surface Warfare Center	46
INTERNET SITES	47
BizWeb	47
CommerceNet	47
Productivity Through Software plc	47
TechExpo	47
Yellow Pages	48
APPENDIX B: SURVEY OF SUPPLIERS	49
INFORMATION TO OBTAIN FROM SUPPLIERS	49
INFORMATION TO PROVIDE TO SUPPLIERS	52

PURPOSE

*DoD 5000.2-R, **Mandatory Procedures for Major Defense Acquisition Programs and Major Automated Information System Acquisition Programs**, requires that market research and analysis be conducted to determine the availability and suitability of commercial and nondevelopmental items prior to the commencement of any development effort, during the development effort, and prior to the preparation of any product description. Part 10 of the Federal Acquisition Regulation prescribes policies and procedures for conducting market research to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services.*

This handbook is intended to complement DoD 5000.2-R and Part 10 of the Federal Acquisition Regulation by providing general guidance, tools, and examples to assist you in conducting market research for a wide variety of items and services.

